



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

June 9, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

Board of Supervisors
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CAPITAL OPTIONS FOR REDUCING EMERGENCY ROOM OVERFLOW AT COUNTY-OWNED HOSPITALS (ITEM NO. S-1, AGENDA OF OCTOBER 20, 2009)

On October 20, 2009, your Board directed the Chief Executive Office to report on capital options to address emergency room overflow and patient overcrowding at County-owned hospitals. To provide a factual base for the development of such options, we engaged HDR Architecture Inc. (HDR) to assess current inpatient and emergency department bed needs and to estimate future capacity requirements at County-owned hospitals. HDR has completed an initial draft of its analysis and report which concludes that:

- LAC+USC Medical Center's emergency department is adequately sized, but has a deficit of approximately 106 medical-surgical beds.
- Harbor/UCLA and Olive View Medical Centers emergency departments are currently undersized with estimated deficits of medical-surgical beds of 20-23 and 32-33, respectively. The completion of the Surgery/Emergency Room Project at Harbor/UCLA and Emergency Room Expansion Project at Olive View, however, will adequately address such deficits.
- Rancho Los Amigos has an estimated deficit of approximately 24 medical-surgical beds.

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The draft HDR report does not incorporate any impacts of the recently enacted health care reform legislation. The federal health reform laws will expand health coverage to a significant number of currently uninsured and underinsured patients who are served by the County's Department of Health Services (DHS). Further, current State proposals for the next Medicaid Waiver would move a significant number of Medi-Cal patients who are currently covered through fee-for-service reimbursement into managed care programs. Both actions are expected to affect the need for additional inpatient resources within the DHS health delivery system.

As such, we have asked HDR to work with DHS and Health Management Associates to analyze and determine the impacts of federal health care reform and the Medicaid Waiver on the DHS system and specifically County-owned hospitals. As your Board is aware, Health Management Associates (HMA) recently completed an evaluation of the DHS Office of Managed Care to determine its readiness for health reform and developed recommendations which have been approved, in concept, by your Board.

HDR will incorporate findings and conclusions that result from this extended study into a final version of its report, which will be transmitted to your Board in support of our capital recommendations, in August 2010.

Should you have any questions regarding this matter, please contact Jan Takata at (213) 974-1360 or Sabra White at (213) 974-1140.

WTF:SK
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c: Executive Officer, Board of Supervisors
County Counsel
Department of Health Services
Department of Public Works